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SUBJECT: PANAMA'S SOLIDARIDAD-LIBERAL NACIONAL MERGER WILL  
INCREASE OPPOSITION POTENCY

REF: A. PANAMA 350

[1](#)B. PANAMA 629

#### Summary

[1](#)1. (SBU) Two of Panama's small opposition parties, the National Liberal Party (PLN) and the Solidarity Party (Partido Solidaridad), are reportedly close to agreement on merging into a single political party. A merger between the two would lend Solidaridad, the larger of the two parties, a wider base of support, and would ensure the survival of the PLN and its political principles. Merger negotiations are taking place in a legislature whose largest opposition party, the Panamenistas (formerly Arnulfistas), lost the presidency to Martin Torrijos in a crippling electoral rout while Torrijos's Democratic Revolutionary Party (PRD) won an absolute majority of legislative seats. With an identity crisis splitting the Panamenistas, Solidaridad, whose presidential candidate Guillermo Endara took second behind Torrijos with 31% of the popular vote, is looking toward a merger to help gather its strength. End Summary.

#### State of Talks

[1](#)2. (SBU) On April 27, PLN president Anibal Galindo told the press that a merger with Solidaridad would be complete by the end of the year. According to Solidaridad secretary general Jorge Ricardo Fabrega, the two parties have discussed a possible merger for several years, but now are close to a final agreement. In an April 28 meeting with PolOffs, Galindo said that he has been actively working on a merger since becoming PLN president last May. He continued that the two party platforms have no major conflicts. Each party must hold a separate convention and vote on the merger, followed by a joint convention to formalize the decision. Both Solidaridad and PLN considered the MOLIRENA Party (Nationalist Republican Liberal Movement) as a potential partner in the merger, but dropped the idea due to intra-MOLIRENA infighting. (Note: MOLIRENA, formerly a small but significant voice of opposition, is now so small it teeters on the brink of extinction. It currently holds three seats in the legislature. If it loses any more seats, Panamanian law requires it to disband. One former MOLIRENA legislator, Marilyn Vallarino, ran and won on a Solidarity ticket last May. End Note.)

[1](#)3. (SBU) Both parties' leadership are using the press to portray the merger in a proactive and positive light. Galindo told La Prensa on April 6 that the two parties "have an enormous responsibility to be a serious and responsible opposition," and that they would continue discussing themes of national interest together with Solidaridad and the parties of the National Coordination of Opposition.

#### A View from the Inside

[1](#)4. (SBU) In a March 29 meeting with PolOff, Fabrega listed difficulties facing the ruling PRD that he said a legislative opposition could effectively exploit if it is strong and focused. According to Fabrega, although the PRD is riddled with internal disputes, it refuses to coordinate with other parties due to its 41-seat absolute majority in the 78-seat legislature. Fabrega noted three key PRD political problems: the Free Trade Agreement (FTA) with the U.S., the Supreme Court controversy, and Social Security reform. Fabrega said the domestic controversy over an FTA with the U.S. would be compounded if Panama is unable to conclude the agreement at the next meeting, and that such a failure would be "politically bad" for Torrijos. (Note: Embassy assumes that a final high-level bilateral FTA meeting will not be scheduled if success is not assured in advance. End Note.) Fabrega called Torrijos's February 2005 creation of a Justice Commission to recommend changes to the Supreme Court a do-nothing response (see Reftel B). He also said the PRD had not engaged in genuine consultation with other parties on Social Security (CSS) reforms.

[1](#)5. (SBU) Solidaridad, with seven seats, is looking to

increase its presence in the legislature, but the PLN, with three, is merely looking to survive. Galindo expressed frustration at the inability of small parties to make any political impact in the present legislature. Galindo commiserated that the PLN did not field a presidential candidate in the last elections despite having a clear plan for governing, though Galindo ran as second vice-presidential candidate on the then-incumbent Panamenista ticket. Panama's system of electing representatives is also weighted against smaller parties. Voting districts all have a set number of Assembly seats and all but the last seat are determined by popular vote. The last seat is then given, party-list style, to the party with a plurality of the votes in the district. It is possible, under this system, for a small party to win more popular votes in a district and still lose a seat to another party. This was the case for the PLN this year, which also managed to win only six local elections throughout the country. The PRD, however, picked up an additional 10-11 national seats based on this system.

Comment

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16. (SBU) Whether a merged Solidaridad-PLN will effectively overtake the Panamenistas as the primary opposition party remains to be seen. Solidaridad, sometimes referred to as "PRD-light," has had legislator bleed-over from the PRD, but as a center-to-right party, lacks the populist bent of the PRD. Solidaridad, being a small party, must fight for every vote, and rarely are its legislators elected in back-to-back terms. However, the Panamenistas, with 16 Assembly seats, have been conspicuous in their lack of organized opposition to the PRD since elections in May 2004. Former president Mireya Moscoso's step-down as Panamenista party president in April has left potential replacements jockeying for position (see Reftel A). The current vice-president, now acting president, Marcos Ameglio is a party outsider and lacks enthusiastic party support. The party must also rectify the image problem it inherited from Moscoso and bounce back from its crushing defeat at the polls. Its candidate, Jose Miguel Aleman, was voted down last May on public perceptions of rampant corruption. Solidaridad pulled 31% of the popular vote largely due to the popularity of its candidate, former president Guillermo Endara, who had broken with Moscoso and the Panamenistas. Despite their derisory showing in 2004 (16% of the vote), the Panamenistas have a large traditional base of support which is not likely to abandon them. Whether the party will ever achieve mass appeal again or whether Solidaridad-PLN can capture the mantle of chief opposition party will become more clear in the coming months.

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